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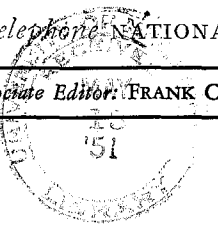

## THE FALLACY OF THE "MIDDLE WAY"

By Frank Chodorov

The resignation of Aneurin Bevan from the British Government poses a question for so-called intellectuals who glibly advocate a "mixed economy" -- partly Socialistic, partly free. Can it work? Bevan is convinced it cannot. He and his group blame "austerity" on the "mixture". The Atlee regime, they maintain, has failed because it has been too timid, too reluctant to wipe out what is left of Capitalism in England.

Bevan is logically sound as a nut. Capitalism and Socialism are so antagonistic in texture that there is no way to make them mix. The one is a way of life grounded in the axiom of private property; the other denies the axiom out of hand. How can you have harmony in a social order that accepts the axiom in some areas, rejects it in others?

When you reject private property, as an axiom, you have government intervention and control. But, a social economy -- as distinguished from a Robinson Crusoe economy -- is so meshed that it cannot be partly controlled, partly free. When the government undertakes to fix prices it is compelled to fix wages. Intervention in the meat business at the butcher shop level leads to intervention at the slaughter house, then on the farm, and when you follow through you come to the tannery and the shoe business. Each control calls for control of contiguous areas in order to make the previous control work.

Experience has shown that once Socialism pokes its foot into the door, Capitalism is on its way out. A "mixed" economy is a temporary concession to Capitalistic habits and traditions. Bevan's position is this: since Capitalism is doomed, why not be done with concessions and hurry the inevitable along? He is logical.

II

Now, if Socialism and Capitalism cannot be housed within a given country without causing friction, can there be harmony in a world of sovereign states, some Socialistic, some Capitalistic? Karl Marx said it is impossible, and the "unmixed" Socialists have always stuck by their Prophet. They sometimes disagree among themselves as to whether evolution or revolution will ultimately wipe out world-Capitalism and

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replace it with world-Socialism, but they are unanimous in the opinion that a half-and-half arrangement is untenable. Only American "intellectuals" profess belief in the possibility.

Again logic is on the side of the Lenins, Trotskys and Stalins. The world is so thoroughly integrated -- economically and physically -- that no part can hermetically seal itself off from the rest. For one thing, the natural distribution of raw materials over the face of the globe works against economic isolationism; without iron, the tropics would be hard put, while coffee improves breakfast in the temperate zone. Ideas, too, have a way of vaulting borders, and ideas germinate desires and action.

Socialism is convinced that Capitalism -- private property -- is an evil idea, the worst man has ever thought up; before the Ideal Society can be realized this idea must be eradicated from the human mind. Within a given country, when the Socialists have got control of its political machinery, the task of eradication is possible of accomplishment; one way or another, the fiction of private property is removed from man's consciousness, and he ceases to think that way. But if the idea rides high in the outside world, it is a constant threat to this process of eradication. That is to say, a casus belli always is present in a world partly Socialistic, partly free.

Bevan is reported to have expressed resentment toward America. Were he to entertain any other sentiment toward a Capitalistic neighbor he would be ideologically inconsistent. His particular grievance against America is of no importance; so long as Capitalism has a toe hold here, just so long will English Socialism find America an irritant and a danger. There will always be Bevans and issues.

That suggests an "unthinkable" thought: is it possible that an Anglo-American conflict could arise from the antagonistic social systems? No Socialist would be consistent if he thought otherwise. To be sure, clashes between nations arise from a multiplicity of causes, and their advent is subject to military and political exigencies. In the present world situation, England needs us and we need England, and the pressing interdependence overshadows the friction of conflicting ideologies. The point is that the friction does exist and will continue to exist because Socialism cannot tolerate Capitalism.

Realistic Russia seems to be pressing for a vindication of this Marxist tenet on the battlefield. England is on our side. Whether she likes it or not, her existence as a sovereign nation, Socialistic or otherwise, is dependent on the military and economic help given her by a

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Capitalistic nation. On which side would she be if that help were withdrawn? Ideologically, it would be Russia, but that choice would mean her national liquidation -- and that brings up another question.

III

Is international Socialism a durable modus vivendi? To repeat, an internal "mixed" economy is at best a troublesome transition from Capitalism to Socialism. An international "mixed" economy is likewise fraught with difficulties. Well then, if all the nations in the world were to embrace Socialism, could they (a) continue to exist as sovereign nations, and (b) live in harmony with one another?

Socialists have always insisted that war is a product of Capitalism, and that when private property is done away with, the political establishments based on private property would "wither away", and so would nationalistic loyalties and ambitions. The U.S.S.R. has made that theory look so foolish that the doctrinaires resort to denying its claim to being a Socialistic nation. Nevertheless, most simon-pures admit the necessity of introducing Socialism on a national basis; first things first.

That simply means that, in the beginning anyway, all Socialism must be National Socialism -- resembling in substance the Hitlerian scheme. When one considers the job of reconditioning people to the new order one realizes why this must be so. To rip out of men's minds the traditions of Capitalism, backed by centuries of practice, requires a lot of doing -- re-education, purging and outright liquidation. It is a task that is proportioned to the size of the nation. It is perforce a local job.

This reconditioning is made difficult by contamination from the outside world. Even if the next door neighbor also professes Socialism, a differential in wages might arise from a difference in natural advantages, and news about it could start a migration of workers. That would upset the controls, just as the free importation of goods must make the regulation of prices a farce. In short, to institute Socialism in any one country requires its immunization against all foreign contacts. The "iron curtain" is a necessary property in a Socialistic performance.

But, there is always the problem of the maldistribution of natural resources; in that respect, nature is oblivious of the glories of Socialism. Under Capitalism, the disequilibrium is righted, though imperfectly, by its intricate system of exchanges. When all the nations of the world have abolished this Capitalistic system, how will the coffee of Brazil get to Italy, the turpentine of North Carolina to Tokyo? Doctrinaire Socialism has no answer, not one that makes sense anyway.

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Russian Socialism has an answer, and it resembles what the doctrinaires used to sneeringly refer to as imperialism.

Yes, the boys in the Kremlin are the most logical of all Socialists. They know that Socialism hasn't a chance if Capitalism exists anywhere in the world. They know that separate Socialistic nations will be at one another's throats. The only way, then, is to wipe out both Capitalism and nationalism at one fell swoop, and to inaugurate global Socialism controlled by a single central intelligence.

IV

England's situation, which Bevan's resignation dramatized, is precarious. She hardly gets going on National Socialism when her national existence is threatened by the intransigents of the East, bent on fulfilling the destiny bequeathed to them by the Prophet Marx. If they succeed, England will be relegated to a subdivision of World Socialism.

On the other hand, what will be her fate if the Western Capitalistic colossus prevails? The impending struggle promises to leave the world a shambles, making it incumbent on the victor to manage and police it. England will necessarily be one of the policed nations.

In the circumstances, Bevan's proposal that England cut herself adrift from both menaces, so that she can pursue her way toward complete National Socialism, is born of despair. Is there no way out for her? Only one escape suggests itself, and that is to go back to the Capitalism that, in the Nineteenth Century, enriched her and gave her strength.

For all the faults of Nineteenth Century Capitalism, its record of achievement compares most favorably with the Socialistic and "mixed" economies of the last fifty years. Production piled on production, taxes were low and the individual was less harassed. Even its depressions were overcome without austerity, handouts and controls.

In the matter of wars, it is noteworthy that the Nineteenth Century had no major war comparable to either of the two we have had since 1914. Whatever causes war, it is a certainty that Socialism does not bring peace; the evidence is all for the proposition that imbedded in Socialism is a prime cause for war.

Perhaps, then, a full measure of Capitalism, without "mixture", would restore England to vigor and independence. Her productive capacity would certainly improve to the point where she would no longer be a mendicant nation, and the well-being of her people would give pause to the realistic Kremlin. One does not pick on a strong fellow.

That, of course, is what America should do, before the slow poison of a "mixed" economy brings her to England's plight.

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Not Merely Gossip *A Supplement to* Human Events Vol. VIII, No. 19

By Frank C. Hanighen May 9, 1951

EISENHOWER: In the past eventful forty-eight hours, the Administration has been reeling under a blow which White House circles never anticipated. While Secretary Marshall testifies and the Joint Chiefs of Staff wait in the wings, there is one absent figure -- General Eisenhower.

Actually the blow was delivered last week end when the General in Paris rejected hints that he come to Washington and give evidence before the Senatorial Committee.

It should be explained that the White House has been almost pathetically wanting the General to return and by his prestige turn the tide against the popularity of MacArthur. Suggestions had been made to GHQ in Paris that the General's presence is needed here.

Instead of coming back to Washington, the European Commander announced that he was about to make a tour through Belgium and Holland, to inspect training centers, and to Germany, where presumably he will explore chances of arming the Germans.

Thus, the "posture" of Eisenhower is one of studious preoccupation with his military duties, while the political show goes on in the Nation's Capital.

It may be that the President will finally order Eisenhower to return and testify. For the White House Palace Guard vividly recalls how Eisenhower swayed Congress last January in favor of troops for Europe. Meanwhile, some White House retainers feel that the General has let them down and bitterly remark that now Eisenhower is thinking only of his political future.

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EISENHOWER'S ARMY: The recriminations of the New Dealers (reported above) against Eisenhower are quite unfair. The truth is that the General has his problems in Paris. But they are military, not political. For, it might as well be admitted that the European army project is not -- to say the least -- doing well.

The fact is -- according to well-informed military sources -- that the army-in-making actually numbers less today than when Eisenhower went to Europe last January.

The sources say that, whereas NATO (North Atlantic Treaty Organization) boasted of a total of 9 divisions in January, today it can muster only 6, and the NATO forces are actually smaller (than in January) by some 100,000 men.

This, indeed, is a situation which might well make an American commander reluctant to return home and report. It would seem reasonable for him to prefer to wait until he had some news of progress to tell the Senators.

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ADMINISTRATION COUNTERATTACK: Despite general opinion that MacArthur did well in the Senate hearings and Marshall not so well, it must be granted that the Administration staged a brilliant coup just before the curtain went up (or, to be accurate, went down). At the last moment, just as the hearings started, the Administration forces staged a superb piece of hocus-pocus to protect themselves from the popular impact of MacArthur. The Iron Curtain of censorship went down as the curtain on the political show went up. This is how it was.

To begin with -- a great fear was professed that the Far Eastern Commander (in his "desperation to protect himself" as Administration circles put it) would blurt out textual coded data which the enemy would pick up and thereby break our codes. Hence, the last minute uproar: General Bradley hastily calling Chairman Russell

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about the danger to codes, Chairman Russell aroused about one document which might give away the code, the setting up of a censorship room with Admiral Davis scanning testimony, etc., etc. In the end, it was admitted that the document in question had been paraphrased and offered no risk to code security.

Behind this farce was the real picture: actually what the Administration feared was not cryptography, but television. If the hearings had been open, the television machine would have been trained on the General, and the eventuality most damaging to the Administration would have taken place. The General would have then been speaking to the people. They would have seen him, they would have heard his rich voice -- and the miracle which took place when he addressed Congress on April 19 would have recurred.

Thus, the peril to the Administration lies in the direct line of communication between the General and the people. Untelevised hearings are "duck soup" for the Administration tactics of confusion. Let MacArthur talk to the Senators, make his points. The tactics of confusion -- the words, arguments, counterarguments, leaks, counterleaks, long-winded interpretations pro and con in the press -- that is the lesser peril because it arrives to the people in confused and complicated form. That is the medium by which the Administration can throw dust which never settles, but continues to obscure vision. By that means, the circuit -- General to people -- is broken.

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AS MACARTHUR PLAYED IT: Behind the dust that the Administration "thought controllers" will not permit to settle, MacArthur faced the Senators and stuck firmly to a strategy which would have been more surely successful had the hearings been open. (As it is, most people by this time probably take anything on trust from the General.) All his efforts in the big Senate Caucus Room were designed to explain and "sell" (rather than justify) his plan for ending the Korean war. Anything else that might lead him into secondary or diversionary paths was met with tight-lipped monosyllables, or cautiously worded "turn-asides".

Thus, he avoided discussions bearing on political matters; he referred in respectful terms to the President, Secretary of State, Joint Chiefs of Staff, etc.; he cooly declined to comment on the European theater, etc. But he reiterated the lack of policy governing the Korean situation and the aimless waste of American lives in the see-saw ("accordion") warfare in the peninsula. And finally he delicately side-stepped the "sea-air" controversy. So delicately that many publicists were led to draw an unjustifiable conclusion.

To say that MacArthur opposed the Taft-Hoover concept of what they called "sea-air" defense is to distort the exact words of the General. He said no such thing. It may be -- but we strongly doubt -- that he privately opposed the Taft-Hoover thesis. But careful reading of his answer to Senator Johnston's leading question showed that he employed no words that he might not have used in espousing the Hoover thesis. Unwary commentators forgot that the word "integration", used in connection with the three services, is also used by the proponents of the sea-air thesis. What MacArthur did was to swerve around the controversy to avoid alienating the Joint Chiefs of Staff -- the better to concentrate on his principal aim: to end the war in Korea.

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AROUND THE HEARINGS: General MacArthur, we hear, reads Gibbon and Boswell for relaxation. This may account for something Senators noticed during the hearings: the odd contrast between the General's rumbling, lofty periods and the New Deal diction of some of his questioners.

After testifying from late morning to dusk, without leaving his chair, one Senator remarked, "What a man!" Another was heard to say, "What a bladder!"

The only heat shown in the questioning -- according to those who watched --

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came from Senator McMahon who almost lost his temper in face of the bland imperturbability of the General. Republicans referred to McMahon as the Administration "hatchet man", as reports were heard of the long briefing given the Connecticut Senator by experts from the State Department. We saw McMahon emerging from the committee room: he seemed to brace himself as he approached the crowd, and started whistling -- a rather forced attempt, it seemed to us. The Senator's toupee appeared a little more visible than usual.

One Senator on the Committee said virtually nothing -- Senator Connally of Texas. Not a single, cracker-barrel, rasping question. Reason (given by the unkind): that the General is due to address the Texas legislature soon.

Whole families -- mamma, papa and the kids -- stood in the hall waiting to see the General when he came out. And a priest stood by, alternately reading his breviary and watching the door. When the General emerged amid flashes from cameras, he stopped to shake hands with a lady who addressed him -- apparently an acquaintance of long ago. Then he disappeared into the elevator. As we left by the fornt door, a janitor and a Capitol policeman were exchanging impressions. The janitor: "That man has certainly stirred up this town." The cop: "Town? why he's stirred up the country -- thank God."

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REFLECTIONS ON A GENERAL: We offer no apology for the extent of our coverage of the MacArthur affair. This week we had lunch with an editor, whose latest issue we had just read. It gave scant space to MacArthur. Yet, over the table, our friend talked of literally nothing else. We cannot avoid the conclusion that the MacArthur phenomenon will bulk large in our history -- and deserves detailed examination.

Republicans on the Hill today do not present an entirely edifying spectacle. They devote too much jollification over the Administration's plight, too little to the business of formulating policy for themselves. Newsmen apply a word to it -- "shirt-tail riding". Yet there are a number of the General's ideas and statements which perturb some of his admirers.

For instance -- his plea for abolition of war and his support for what amounts to a crusade against Communism. The "abolition of war" utterance was magnificent in motive. But it reminded some observers of the "against sin" projects which have done this country so much harm. And as for the "crusade" -- that appears as a rather tall order to those who are concerned about the stability of our economy.

Also, some admirers of the General are rather puzzled about passages in the General's testimony which look like "double talk". We have drawn attention above to this kind of business in connection with his obvious attempt to dodge the "sea-air" controversy. The Wall Street Journal, by no means unfriendly to the great commander, has dwelt on the contradictions in MacArthur's stand on land warfare in the Far East: he opposes flatly such tactics in China, but seems to support it in Korea. Of course, the General intends to make a number of speeches soon. Perhaps he will elucidate more clearly such points.

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REED: Justice of the Supreme Court Stanley Reed is generally expected to resign soon. Reason: health (and that is the real reason). The prospect of a vacancy has stimulated talk of Acheson's resignation -- for several months ago it was thought that Acheson would be rewarded by the President with a seat among the Nine. However, that was several months ago. When the matter is brought up in conversation now, there is wonder whether the intensely unpopular Secretary of State could be confirmed by the Senate for a place on the Court.

A new gust of gossip swept through the town this week on the subject of Acheson's resignation. This time, it was pointed out that the left-wing elements are

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now opposed to his remaining in the Cabinet. (See the Washington Post's recent attacks on its former favorite.) It is even wondered whether his boon companion, Justice Frankfurter, stands by him. The catch, however, is -- who would succeed him. Vinson? Hoffman? Dulles? In that order.

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DOUGLAS: In the Supreme Court's opinions on the subversive cases last week, Justice Douglas had this to say: "The fact that the technique by association was used in the prosecution at Nuremberg does not make it congenial to our constitutional scheme." Another member of the Court, Justice Jackson, was prosecutor at Nuremberg.

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CRISIS OF CONTROLS: An even more fundamental showdown than the MacArthur matter started this week on Capitol Hill. The whole rickety edifice of controls is being figuratively placed in the hands of burly house-wreckers as Senator Maybank's Committee starts hearings on the question of extending the Defense Production Act of 1950. Maybank, himself unsympathetic to the control system, will hear representatives from every sector of the economy (save labor) ask for complete elimination of both price and wage controls. Some will place emphasis on credit restrictions, elimination of non-essential spending and sound taxation as the best way to control inflation.

Real spearhead of the drive (which is actually not coordinated, but spontaneous) is the most powerful farm organization in the country, the American Farm Bureau Federation. Apart from fundamental differences with the Administration's plans, the Farm Bureau fight is given extraordinary impetus by reason of its bitter feud with Secretary of Agriculture Brannan. The Farm Bureau fought the Brannan Plan to a standstill last year. Brannan influence excluded Allan Kline, President of the Farm Bureau, from early defense councils last year -- the Bureau really was unrepresented on the war mobilization council. Finally, a place on the new Advisory Board on Mobilization was offered a few weeks ago to Mr. Ray Wiser, head of the California Farm Bureau. Wiser, interpreting the offer as a slap at National President Allan Kline, flatly declined to sit on the Board.

Actually, the story of the present crisis of controls is merely the climax of the unseen story behind all controls. As we forecasted in this column on February 14, the old OPA radical crowd (we named names on February 21) moved back into the newly formed OPS last fall. They were determined to accomplish what they did not dare attempt under OPA during the last war, i.e., to control agriculture entirely, from the producer to the consumer. Thus they early planned to control "cotton in the raw" and "beef on the hoof", and finally got their way. As a result, there has been a veritable explosion in the farm field.

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UTLEY: Today is publication date of Freda Utley's new and excellent book, The China Story (Henry Regnery Company, 20 W. Jackson Blvd., Chicago, Ill., $3.50.) The volume offers an indispensable guide to the complex story of our policy in the Far East.

We have asked Miss Utley to tell us some aspect of the story which has so far been neglected in the discussion of our blunders in the Far East. Her reply has bearing on the controversy, Far Eastern vs. European strategy. "It is worth remembering", she writes, "that had a 'Japan first' strategy been adopted during the war, the post-war situation would have been far more favorable to America and the cause of democracy. Not only would China have been given a chance to emerge from the war as a power strong enough to maintain peace in the Far East, thereby releasing America from the necessity of maintaining armed forces in the Western Pacific, but Russia would have been so worn down as to be unable to succeed Germany as the dictator of Europe and the menace to world peace. Both the totalitarian powers of Europe, instead of only one of them, might have been destroyed."



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